

December 15th, 2006

Re: PSC Application No 911-002
PSC Application No 911-027

Public Service Commission:

To answer the questions that are raised in this order we have attempted to the best of our ability to paint a clear picture of the state of the surcharge over the last few years for Lincoln/Lancaster County, i.e. the Lincoln Emergency Communications Center. This is complicated for us because the City and County in efforts to compensate for the declining surcharge as well as other budgetary issues raised our wireline surcharge to \$.75 in 2004 and \$1.00 in 2005. The surcharge was raised not only to compensate for the declining surcharge revenue but to provide relief from general tax fund needs. What we have determined is detailed on the attached spreadsheet. In answer to the questions raised –

1. Have we lost revenue due to fewer landlines? Yes.
(According to PSC, in 2002, Lancaster County had 135,439 access lines and in 2005, had 122,665, a decrease of 12,774. We do not think this number takes into account how many Time Warner and NT&T customers were added.
2. How much surcharge would we have received if not for wireless? See attached spreadsheet.

It should be noted that over 60% of all 911 calls are from wireless phones; 4% of calls to 911 are VoIP and the remainder are landlines. We believe the current trend for the decrease in number of landline calls will continue and wireless and VoIP will continue to increase.

If the PSC implements the 20 cent increase in surcharge, it needs to be separated from the other surcharge for wireless to specifically supplement lost revenue due to the decrease in landlines. The PSC proposes the comparison of historic data; information is available for landline surcharge amount, but PSAPs do not have information on the wireless amounts collected by the PSC. We believe more current information needs to be available from the LEC as to the number of landlines and also information available from the PSC on the amount of wireless surcharge money collected from the carriers.

Should the PSC have the authority to establish a cost recovery mechanism for this purpose? Absolutely.

Should a cap be placed on the recovery mechanism and the method in which funds are distributed should the cap be exceeded? Yes, because funds are not limitless, but the PSC should be able to forecast approximately how much the surcharge will bring in to the fund in a given amount of time. PSAPs should receive a set percentage of the actual amount that their jurisdiction generated for the fund. If Lancaster County provides 40% of the total revenue generated for the wireless 911 fund and the set percentage of reimbursement is set at 20% then Lancaster County should receive 20% of that 40% of the fund.

We believe that some expenses should be assigned to the carriers based on funding levels that are not passed on to the consumer. The guiding principal for the Commission when creating these rules should be to remember that the Carriers are for profit. They have the mechanism to increase these profits through marketing and other means. The PSAP does not have this option; the PSAP is limited to available tax dollars.

Sincerely,

Julie J. Righter, ENP
Lincoln Emergency Communications Center
575 South 10th Street
Lincoln, NE 68508
Phone 402 441 7252
Email jrighter@lincoln.ne.gov